



Request for City Council Committee Action From the Finance Department

Date August 22, 2003

To Council Member Barbara Johnson, Chair Ways & Means Committee

Subject Travel Card Program

Recommendation

1. Adopt the new Travel Card Policy
2. Direct Finance Department staff to develop procedures for the new Travel Card program
3. Authorize negotiation and contract execution for an agreement with US Bank to provide travel card services
4. Terminate the American Express card program

Previous Directives

- Policies on local travel and overnight travel were approved by Council in May 2003
- The American Express card program was approved by Council in the mid-1990's

Submitted by Lee Larson, Contract Administrator-Procurement 2055

Approved by Patrick Born, Finance Officer _____

Approved by John Moir, City Coordinator _____

Presenters in Committee: Lee Larson

Financial Impact (Check those that apply)

☒ No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

- ☐ Action requires an appropriation increase to the Capital Budget
- ☐ Action requires an appropriation increase to the Operating Budget
- ☐ Action provides increased revenue for appropriation increase
- ☐ Action requires use of contingency or reserves
- ☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

Neighborhood Notification

City Goals Comprehensive Plan Zoning Code Other
--

Background/Supporting Information

The newly approved travel policy and procedure allows for employee use of various Internet travel arranging sites to encourage reduced travel costs. To use these sites, typically travel must be pre-paid on a credit card. Employees using this tool typically use their own credit card and are then reimbursed through the travel expense report process.

A travel card program where charges are paid centrally by the City and then delegated to department budgets will allow employees to pre-pay these costs without personal expense.

Attached is a draft travel card policy that outlines responsibilities for the cards and provides internal controls to avoid misuse of the cards.

For the future, if the travel card program is successful, the Finance Department plans to explore the expansion of the travel card program into a procurement card program.

The fees associated with the travel card have been waived for three years and will be minor or non-existent after that point, depending on card usage. There is also a revenue-sharing arrangement once various dollar thresholds are reached.

A team of Finance staff reviewed proposals that were received from the University of Minnesota and Dakota County in response to their formal Request for Proposal processes. After reviewing the proposals, sampling the systems and obtaining references from other jurisdictions, the team selected US Bank to provide the travel card system.